

ASSEMBLY BILL

No. 2311

Introduced by Assembly Member Mendoza

February 19, 2010

An act to add Section 38569 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2311, as introduced, Mendoza. California Global Warming Solutions Act of 2006: transportation fuels: review.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reduction.

This bill would require the state board to review any regulation adopted by the state board that establishes greenhouse gas emission standards for transportation fuels and adopt a report relating to this review, as provided. The bill would require the state board, based on that report, to revise the compliance schedule or schedules in the regulation to avoid impacts on California fuel supplies or prices, competitiveness of California businesses relative to out of state or international competitors, impacts on the California economy, and impacts on California small businesses.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 38569 is added to the Health and Safety
2 Code, to read:

3 38569. (a) No later than December 31, 2011, and at least every
4 three years thereafter, the state board shall review any regulation
5 adopted by the state board that establishes greenhouse gas emission
6 standards for transportation fuels and adopt a report relating to
7 that review.

8 (b) (1) For each review pursuant to subdivision (a), the
9 executive officer of the state board shall publish a draft review
10 report that contains the information described in subdivision (c),
11 for a 45-day public comment period, at least 90 days prior to
12 presenting the draft review report to the state board. The executive
13 officer of the state board shall use generally accepted modeling
14 and analytical methods in preparing the draft review report.

15 (2) During the public comment period, the State Energy
16 Resources Conservation and Development Commission, the Public
17 Utilities Commission, the Department of General Services, the
18 Department of Food and Agriculture, the Natural Resources
19 Agency, the State Water Resources Control Board, the State
20 Department of Public Health, the Department of Finance, and the
21 Legislative Analyst shall provide written comments on the draft
22 review report.

23 (3) During the public comment period, the executive officer of
24 the state board shall obtain an external peer review of the draft
25 review report.

26 (4) Following receipt of the peer review described in paragraph
27 (3), public comments, and the comments of the agencies described
28 in paragraph (2), the executive officer of the state board shall
29 prepare a written response to the comments and peer review at
30 least 15 days prior to presentation of the final report to the state
31 board. The final report shall be revised to address comments
32 received from the public and the agencies described in paragraph
33 (2).

34 (5) The executive officer of the state board shall present the
35 final review report to the state board at a regularly scheduled public
36 hearing prior to the completion date set forth in subdivision (a).
37 At that hearing, the state board shall take public testimony on the

1 review report and shall adopt or reject the report by a majority
2 vote of the state board.

3 (c) The draft and final reports shall address, at a minimum, all
4 of the following:

- 5 (1) The regulation's progress against its targets.
- 6 (2) Adjustments to the compliance schedule that are needed.
- 7 (3) Advances in full fuel life-cycle assessments.
- 8 (4) Advances in fuels and production technologies, including
9 the feasibility and cost-effectiveness of these advances.
- 10 (5) The commercial availability and scope of use of ultra
11 low-carbon fuels to achieve the regulation's standards.
- 12 (6) An assessment of supply availabilities and the rates of
13 commercialization of fuels and vehicles.
- 14 (7) The regulation's impact on the state's fuel supplies.
- 15 (8) The regulation's impact on state revenues, consumers, and
16 economic growth.
- 17 (9) An analysis of the public health impacts of the regulation
18 at the state and local level, including the impacts of local
19 infrastructure or fuel production facilities in place or under
20 development to deliver low-carbon fuels.
- 21 (10) An assessment of the air quality impacts in the state
22 associated with the implementation of the regulation, including,
23 but not limited to, whether the use of low-carbon fuels in the state
24 will affect progress towards achieving state or federal air quality
25 standards, or result in any significant changes in toxic air
26 contaminant emissions, and recommendations for mitigation to
27 address adverse air quality impacts identified.
- 28 (11) Identification of hurdles or barriers including, but not
29 limited to, permitting issues, infrastructure adequacy, and the
30 availability of research funds, and recommendations for addressing
31 these hurdles or barriers.
- 32 (12) Significant economic issues, fuel adequacy, reliability, and
33 supply issues, and environmental issues that have arisen.
- 34 (13) The advisability of harmonizing with international, federal,
35 regional, and state regulations, including, but not limited to,
36 competing fuel life-cycle assessments.

37 (d) (1) Prior to publishing a draft of the report as required by
38 subdivision (b), the executive officer of the state board shall consult
39 with public and private persons that would be significantly
40 impacted by the implementation of the regulation to identify those

1 investigative or preventive actions that may be necessary to ensure
2 consumer acceptance, product availability, acceptable performance,
3 and equipment reliability. The significantly impacted persons to
4 be consulted shall include, but are not limited to, fuel
5 manufacturers, fuel distributors, independent marketers, vehicle
6 manufacturers, and fuel users.

7 (2) Prior to publishing a draft of the report as required by
8 subdivision (b), the executive officer of the state board shall hold
9 at least two public workshops on the subjects to be covered in the
10 report.

11 (e) Based upon the information in the final report adopted by
12 the state board, the state board shall revise the compliance schedule
13 or schedules in the regulation to avoid impacts on California fuel
14 supplies or prices, competitiveness of California businesses relative
15 to out of state or international competitors, impacts on the
16 California economy, and impacts on California small businesses.